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MINUTES

Policemen's Pension and Relief Fund Thursday, November 18, 2010

On Thursday, November 18, 2010 at approximately 9:00 a.m., a meeting of the Board of Trustees of the Policemen's Pension and Relief Fund of the City of Little Rock, Arkansas was held in the Sister Cities Conference Room at City Hall.

Agenda Item #1. Call to Order/Roll Call

[00.00.00 into the pension audio]

City Manager Bruce Moore attempted to call the pension meeting to order; however, the Secretary stated:

Mr. Moore. With all due respect, based on the legal opinion emailed to each member of this Board by our legal counsel, it is clear that you are NOT the legal Chairman of this Board under Arkansas law and, therefore, have no legal authority to sit as this Board's Chairman.

Under Robert's Rules of Order [page 443 § 11 and 437 § 3], the duty now falls to me, as the Secretary of this Board, to call this meeting to order and immediately call for the election of a "chairman pro tem" to preside over this meeting. While you sir, are welcome to remain in this meeting, as any other member of the public, I must now ask that you vacate the Chairman's seat and move to the spectator area so that the Chairman's seat is available, should our rightful chairman chose to take that seat.

The Secretary then called the meeting to order [00.00.57 into the pension meeting audio] at approximately 09:01 hours, and certified that a quorum of the Board was present. The Roll Call was as follows:

PRESENT:	Steve Young	Secretary
	Sara Lenehan	Treasurer (AWOL)
	Farris Hensley	Member
	Lee Harrod	Chairman Pro Tem
	Don Wood	Member

ABSENT:	Mark Stodola	Chairman
	David Rowan	Member

Also present were Mr. Bo Brister, Stephens Capital Management, Financial Consultants for the Fund and Mr. Chris Pledger, Kutak Rock LLP, Legal Consultant for the Fund.

Agenda Item #2. Notification of News Media.

[00.01.02 into the pension meeting audio.]

The Secretary stated the media had been properly notified in a letter dated November 1, 2010, to the Arkansas Democrat Gazette.

Election of Chairman Pro Tem. [Not On Agenda]

00.01.07 into the pension meeting audio.]

The Secretary nominated Mr. Lee Harrod for the position of Chairman Pro Tem to serve as the Board's Chairman until the arrival of the Board's true Chairman, Mayor Stodola, and made a motion [00.01.12 into the pension meeting audio] that he be elected by the Board. The motion was seconded by Mr. Hensley. After considerable discussion of the issues involving the Board's legal counsel opinion, Mr. Moore's [the Board's past Chairman] reasons why the Board should ignore this legal opinion, and various other related issues, the Board voted 4-1 [00.28.00.00 into the pension meeting audio] to pass the motion with only the Treasurer voting against the motion. The Secretary then turned the remainder of the meeting over to the new Chairman Pro Tem (Chairman), Mr. Harrod. Mr. Hensley left the meeting to attend the funeral of pension member Mr. Farnham.

Mr. Wood made a motion [00.29.34 into the pension meeting audio], after noting that the Board had lost its quorum, that the Board adjourn this meeting and any future meetings until the Board finds out what is legal and what isn't legal. This motion died for lack of a second.

Immediately thereafter, at approximately 09:31 hours, The Chairman, noting the Board's lack of a quorum due to the unexpected departure of the Treasurer with the City Manager, called a recess in the meeting until 11:00 hours when Mr. Hensley could return to the Board Meeting.

At approximately 11:05 hours, Mr. Hensley returned to the meeting and Mr. Rowan briefly arrived at the meeting but had to leave it again at approximately 12:26 hours. The Chairman called our meeting back to order [00.31.20 into the pension meeting audio], acknowledged the presence at the meeting of Mr. Hensley and Mr. Rowan, and noted that the Treasurer was still absent from the meeting despite the Board's numerous attempts to contact her after leaving with Mr. Bruce Moore.

Agenda Item #3. Approval of the October Regular Meeting Minutes

00.32.27 into the pension meeting audio.]

The Minutes for the October Regular Meeting were approved by unanimous vote of the Board after a motion to approve the minutes was made by Mr. Hensley and seconded by Mr. Wood.

Agenda Item #4. Report from Board Legal Consultant

[0.40.46 into the pension meeting audio.]

A. Presentation of New Contract — After verifying that the items pertaining to the fax pricing and the two year renewal of the contract were addressed in the new contract, Mr. Hensley made a motion [00.42.16 into the pension meeting audio] to approve the contract and Mr. Harrod seconded the motion that passed by a unanimous vote of the Board. The Secretary then signed the contract.

B. Review Mayor's Executive Order — [This item had already been discussed under Election of a Chairman Pro Tem above.]

84 C. Review of FOIA and Attorney Services — The attorney performed an initial review of the
85 Arkansas FOIA law and determined that the Board had no privilege to move into an
86 executive session for discussion legal issues without being subject to FOI requests.

87 D. Request review of the opinion of \$125 benefit for 18 year old child in HS — The attorney
88 was assigned to review this issue and report at our next pension meeting.

89 **Agenda Item #5. Report from Board Financial Consultant**

90 [00.54.30 into the pension meeting audio
91

92 A. September Financial Report —Mr. Brister, Financial Consultant for the Fund, gave the
93 October 2010 financial report and stated that on October 31, 2010, the market value of the
94 total Fund was \$46,662,175 of which \$22,840,850.48 was allocated to DROP. This
95 represents an increase in the account balance of \$210,312 since September 30, 2010. The
96 component of this change was income of \$63,142.55 and net contributions/withdrawals of
97 (\$651,664.42). Additionally, \$741,926.79 was held in the Metropolitan Checking Account.
98 The Funds overall market rate of return for the month of October 2010 was 1.98% and
99 8.02% calendar year to date.

100 Mr. Hensley made a motion [01.18.22 into the pension meeting audio] to adopt a resolution
101 to be drawn up by our Pension Board Legal Counsel for the Secretary and Mr. Hensley's
102 signature authorizing our Investment Consultants to make the Goldman Sachs transaction
103 that Ms. Lenehan took with her when she left the pension board meeting because the
104 resolution was time critical. Mr. Wood seconded the motion that passed by unanimous vote
105 of the Board.

106 B. Presentation of Fees for Services — [Passed until the next pension meeting]
107

108 **Agenda Item #6. Report of Board Lobbyist**

109 [01.21.04 into the pension meeting audio.]
110

111 A. Discussion of Legislative Matters — Mr. Young stated that Mr. Roger Smith, the Board's
112 Lobbyist, called him the night before and stated he would be unable to attend the pension
113 meeting but gave his report to Mr. Young who stated that Mr. Smith told him that the issue
114 involving the modification of A.C.A. § 24-11-211 to provide for an increase from \$50 to
115 \$150 for the police supplement funding would be sponsored by State Representative Bill
116 Samples, soon to be State Senator Bill Samples, during the next legislative session and that
117 he expected it to pass. Mr. Smith also stated that the issue concerning the carrying of a
118 weapon by retired officers without a provision requiring them to perform some type of
119 qualification with the weapon would likely not pass. Mr. Young stated he told Mr. Smith
120 that, so long as the qualification were no more restrictive than that used to qualify citizens
121 who wish to obtain a concealed carry permit, the Board would likely not object to such
122 qualification. Mr. Smith said he believed that requirement would pass the legislature. Mr.
123 Young also stated that he had contacted the Arkansas Pension Review Board (PRB) about
124 the issue of the widow's longevity bonus to make certain they were going to include it in

125 their legislative packet and was informed by the Executive Director that it would be
126 included.

127
128 B. Presentation of Legislative Proposals — [Passed until the next pension meeting]
129

130 C. Discuss including other cities in Legislative Proposals — [Passed until the next pension
131 meeting]
132

133 **Agenda Item #7 Report from Board Chairman**

134 [01.33.39 into the pension meeting audio]
135

136 [Passed until the next pension meeting]
137

138 **Agenda Item #8. Report from Board Secretary**

139 [01.33.41 into the pension meeting audio.]

140 A. New Format for Agenda — Mr. Young stated that he had reformatted the agenda to provide
141 that our consultants would address the Board as quickly as possible and provided for the
142 reports of the various Board members by title only. He also stated that in future agendas he
143 would place a heading of “Exigent Business” in position number 3 on the Agenda to allow
144 any member to discuss anything that he believed is of such extreme urgency or importance
145 that it needs to be discussed by the Board ahead of all other business.

146 [The Board then moved to Item 10B to allow Mr. Rowan to leave the pension meeting.]

147 B. Establishment of By-Laws or Modification to Policies and Procedures [02.04.26 into the
148 pension meeting audio] — Mr. Young stated that because Robert’s Rules of Order required
149 that the pension board could only call a “Special Meeting” if it enacted a by-law to do so
150 that he believed the Board should adapt such a by-law and moved [02.11.21 into the
151 pension meeting audio] that the Board adopt a by-law of the pension board that any four
152 members of the pension board can call a Special Meeting after proper notification to all
153 members of the Board within twenty-four (24) hours of the meeting time and after proper
154 notification of the news media. Mr. Wood seconded the motion that passed by unanimous
155 vote of the Board.

156 C. Reduction of Secretarial fees to \$100 per month — Mr. Young made a motion [02.12.15
157 into the pension meeting audio] that the Secretarial fee be reduced to \$100 per month. Mr.
158 Wood seconded the motion that passed by unanimous vote of the Board.

159
160 **Agenda Item #9. Report from Board Treasurer [Treasurer was AWOL from the meeting]**

161 [02.12.35 into the pension meeting audio.]

162 A. Financial Reports [02.15.04 into the pension meeting audio] — Due to the absence of the
163 Board’s Treasurer, Mr. Young read from the financial report and stated that the fund had
164 net assets of \$47,276,534 of which DROP accounted for \$22,840,850 of that amount. The
165 fund expenditures were \$581,988 and the October non-benefit expense was \$3,666.67. The
166 approval of this report was tabled until the next pension board meeting.

[Items B and C under this heading were tabled until the next pension meeting due to the unexcused absence of the Board Treasurer]

- D. Report on the change of membership status [02.14.42 into the pension meeting audio] — Mr. Young made a motion [02.17.22 into the pension meeting audio] that the Board remove Mr. John Farnham from the pension rolls who died on 11-14-2010 and received a pension benefit of \$1,706.33 and pay his estate \$6500 in death benefits with the condolences of this Board. Mr. Hensley seconded the motion that passed by a unanimous vote of the Board.

Agenda Item #10. Board Member Topics of Discussion

[02.19.54 into the pension meeting audio]

- A. PRB Guarantee Funding (Mr. Young) — Mr. Young stated Mr. Young stated that the Arkansas Attorney General's Office still has not issued an opinion on this matter.
- B. Discussion of past \$50 Benefit Increase Issue (Mr. Hensley) [01.41.01 into the pension meeting audio] [Out of Agenda Order] — After going over the previous issue concerning the \$50 benefit increase that was denied our membership by this Board back in December of 2009, Mr. Hensley made a motion [01.44.54 into the pension meeting audio] that the pension board attorney review the state statutes, PRB applicable rules, our previous attorney's opinion, and any other source the attorney may find valuable to determine if this Board was required, as a matter of law, to pay our membership the benefit increase after it was certified and approved by the PRB. Mr. Wood seconded the motion that passed by a unanimous vote of the Board.

Mr. Rowan then left the meeting at approximately 12:26 hours.

Because the Board's legal counsel wished to leave as soon as possible, he asked if there were any other legal issues the Board wished him to review [01.51.24 into the pension meeting audio]. Mr. Young mentioned A.C.A. § 24-11-415 that requires "all goods confiscated" by police officers be sold at public auction but the City of Little Rock melts down all handguns and only provides the Pension Fund with the proceeds received from the scrap metal company for those handguns. He asked by what legal authority this occurred and also mentioned the other requirements of this section of law that requires all moneys confiscated by police within the city to be paid to our pension fund. The next item for the attorney's review discussed involved the \$500,000 in unpaid probation fees the City owes the Fund and asked the attorney to make recommendations on what legal action we could take to collect this amount from the City of Little Rock.

The Board's legal counsel then left the meeting at approximately 12:38 hours.

Agenda Item #11. Fund Members Comments

[02.22.54 into the pension meeting audio.]

[There were no members present]

Agenda Item #12. Other Business

[02.22.56 into the pension meeting audio.]

The Chairman made a motion that the Board instruct its Secretary to send a letter to Mayor Stodola asking him to Chair our next meeting and informing him of the opinion of our legal counsel as well as send a letter to the Board's Treasurer asking her to attend our next meeting and additionally send copies of those letters to all the City of Little Rock Board of Directors. Mr. Wood seconded the motion that passed by a unanimous vote of the Board.

The Chairman then stated that he had spoken with Mayor Stodola during our break and that the Mayor had said to call the following Monday morning to discuss the issue of his serving on our Board.

Agenda Item #13. Adjourn Meeting

[02.32.38 into the pension meeting audio.]

Mr. Wood made a motion to adjourn and Mr. Harrod seconded the motion that passed by a unanimous vote of the Board at approximately 13:05 hours.

Respectfully Submitted,

Stephen R. Young
Board Secretary